



County of Los Angeles
CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

January 15, 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: REQUEST TO ACCEPT
COMPROMISE OFFER OF SETTLEMENT
(SUPERVISORIAL DISTRICTS 1, 2, AND 4)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director of Health Services (Director) or his designee to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, for the following individual accounts for patients who received medical care at a County facility:

(1)	Account Number	RLANRC – 3237401	\$37,500
(2)	Account Number	H/UCLA – Various	\$25,000
(3)	Account Number	LAC+USC – Various	\$25,000

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The compromise offer of settlement for patient accounts (1) – (3) are recommended because the patients are unable to pay the full amount of charges and the compromise offer represents the maximum amount the Department will be able to receive under the legal settlement involved in these cases.

The best interests of the County would be served by the approval of these compromises, since it will enable DHS to maximize net revenue on these accounts.

Implementation of Strategic Plan Goals

The recommended action will satisfy County Strategic Plan Goal #4, Fiscal Responsibility.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$87,000.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On January 8, 2002 the Board approved an ordinance granting the Director authority to reduce patient account liabilities when it is in the best interest of the County to do so. The ordinance was adopted by the Board on January 15, 2002.

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's hospital lien. Factors that contribute to each party receiving more or less than one-third of the recovery include, the number of medical lien holders, the plaintiff's attorney retainer agreement, and costs accrued by plaintiff associated with the legal process.

The compromise of these accounts is not within the Director's authority, so the Director is requesting Board approval of these compromises.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on these accounts will help DHS meet its budgeted revenue amounts.

Honorable Board of Supervisors
January 15, 2008
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CONCLUSION

When approved, DHS requires three signed copies of the Board's action.

Respectfully submitted,


WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH
SAS:AT:bjs

Attachments (3)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

011508_DHS_Compromise Offer

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 1
DATE: January 15, 2008

Total Charges	\$186,732	Account Number	3237401
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$186,732	Date of Service	10/25/05 – 12/2/05
Compromise Amount Offered	\$37,500	% Of Charges	20%
Amount to be Written Off	\$149,232	Facility	RLANRC

JUSTIFICATION

This patient was involved in an automobile versus pedestrian accident. As a result of this accident, the patient was treated at Rancho Los Amigos National Rehabilitation Center (RLANRC) and incurred total inpatient charges of \$186,732 for medical services rendered. The patient was denied Medi-Cal and did not qualify for ATP. The patient's third party liability (TPL) claim settled for \$100,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$12,500	\$12,500	12.5%
Lawyer's Cost			
RLANRC	\$186,732	\$37,500	37.5%
Other Lien Holders			
Patient		\$50,000	50%
Total		\$100,000	100%

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet his obligation to RLANRC. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2
DATE: January 15, 2008

Total Charges	\$113,137	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$113,137	Date of Service	5/25/05-5/05/06
Compromise Amount Offered	\$25,000	% Of Charges	22%
Amount to be Written Off	\$88,137	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in a motorcycle versus automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient and outpatient charges of \$113,137 for medical services rendered. The patient applied for ATP prior to this settlement and qualified for ATP with liability of \$17,830. The patient's third party liability (TPL) claim settled for \$750,000. However, the patient's attorney claimed that the patient should only be responsible for his ATP liability amount. Since it is not cost-effective for the County to pursue legal action, we are recommending acceptance of the following disbursement of settlement proceeds proposed by the patient's attorney:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*	\$249,975	\$75,000	10%
Lawyer's Cost			
H/UCLA Medical Center	\$113,137	\$25,000	3.33%
Other Lien Holders	\$55,092	\$55,092	7.35%
Patient		\$594,908	79.32%
Total		\$750,000	100%

* The patient's attorney has agreed to reduce his fees from 33.33% to 10%.

Based on the information provided, it appears that the patient suffered extensive injuries and will need funds from this settlement for ongoing care. The patient has no other source of income or personal or real property to meet his obligation to H/UCLA Medical Center.

DATA FOR COMPROMISE SETTLEMENT

COUNTY OF LOS ANGELES
DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 3
DATE: January 15, 2008

Total Charges	\$58,138	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$58,138	Date of Service	Various
Compromise Amount Offered	\$25,000	% Of Charges	43%
Amount to be Written Off	\$33,138	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient had a slip and fall accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient charges of \$58,138 for medical services rendered. The patient was an undocumented resident and did not apply for Medi-Cal or the ATP program. The patient's third party liability (TPL) claim settled for \$75,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees*	\$30,000	\$30,000	40%
Lawyer's Cost	\$7,860	\$7,860	10%
LAC+USC Medical Center	\$58,138	\$25,000	33%
Other Lien Holders	\$779.58	\$335	1%
Patient		\$11,805	16%
Total		\$75,000	100%

* The attorney had done some preparation for trial and his retainer agreement specified a fee of 40%.

Based on the information obtained, it appears that the patient is unable to pay the full amount of charges and has no source of income, or personal or real property to meet her obligation to LAC+USC Medical Center. This compromise offer of settlement is recommended because it represents the maximum amount the Department will be able to receive under the legal settlement involved in the case.